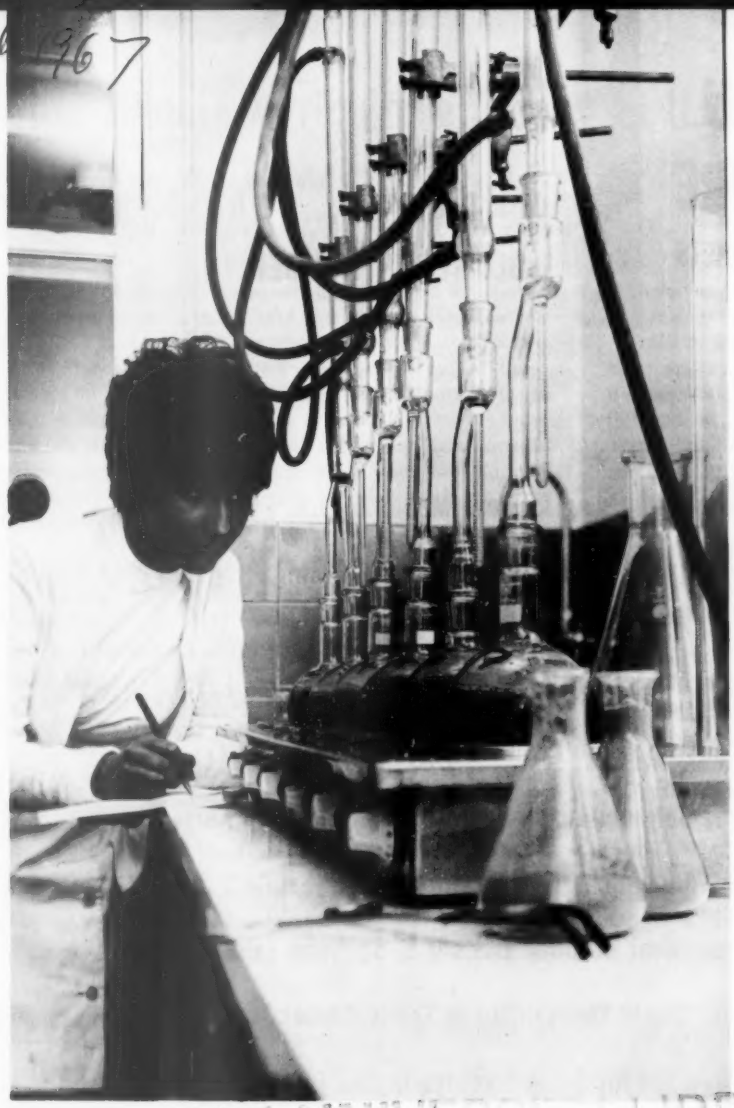


MARCH 6, 1967

ILLINOIS AGRICULTURE
AND U.S. FARM EXPORTS

AUSTRALIA'S FARM EXPORT
MARKETING BOARDS

BELGIUM-LUXEMBOURG
IN WORLD FARM TRADE

MI UNIVERSITY LIBRAR

MAR 13 1967

# FOREIGN AGRICULTURE

## Including FOREIGN CROPS AND MARKETS

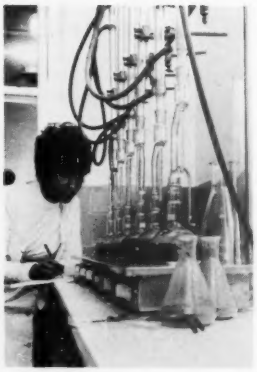
A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

# FOREIGN AGRICULTURE

**Including FOREIGN CROPS AND MARKETS**

MARCH 6, 1967

VOLUME V • NUMBER 10

**Researcher performs moisture analysis on liquid eggs in lab of the New South Wales Egg Marketing Board. See page 6 for article on other activities of Australia's marketing boards.**

Contents


3 What Illinois Agriculture Means to U.S. Farm Exports

5 Tunisia To Expand Cooperative Farming Program With Help of $18-Million Loan

6 Marketing Boards: Managers of Australia's Farm Exports

8 Pakistan's Jute Product Exports Rise

9 Tiny Belgium-Luxembourg a Giant in World Farm Trade

11 FAS Announces New Feature in U.S. Exhibits at Overseas Fairs

11 Prominent Berliner Visits U.S. Soybean Exhibit

12 U.S. Wheat Show in Tokyo Trade Center To Feature Seminars

12 Stage Set for State Displays in Two Fall Food Shows

13-15 World Crops and Markets (Commodity Index on Page 15)

16 Highlights of the Agriculture and Trade of Pakistan



**Orville L. Freeman, Secretary of Agriculture**

**Dorothy H. Jacobson, Assistant Secretary for International Affairs**

**Raymond A. Ioanes, Administrator, Foreign Agricultural Service**

**Editor:** Alice Fray Nelson **Associate Editors:** Ruth A. Oviatt, Janet F. Beal, Elma E. Van Horn

**Advisory Board:**

W. A. Minor, Chairman; Donald K. Childers, Horace J. Davis, John H. Dean, David L. Hume, Robert O. Link, Kenneth W. Olson, Donald M. Rubel, Quentin M. West.

**This magazine is published as a public service, and its contents may be reprinted freely.** Use of commercial and trade names in the magazine does not imply approval or constitute endorsement by the Department of Agriculture or the Foreign Agricultural Service.



**Foreign Agriculture** is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

# What Illinois Agriculture Means to U. S. Farm Exports

*Changes in the world's farm trade, giving ever greater importance to U.S. grains and soybeans, have spotlighted Illinois as No. 1 farm export State.*

Among the most dynamic changes in world agriculture over the past three decades have been the rapid increases in the world's grain and soybean trade. Changes in the direction of trade have been as marked as those in volume. All these changes have brought increased dependence on the products of U. S. farms and the marketing system which moves these products into world markets. And among the U. S. farms of most importance to world agricultural trade are those of Illinois, which supplies a larger share of the U.S. farm export total than any other state.

### Volume of world trade has risen sharply

In the early 1950's world trade in cereals was just slightly greater than the 1935-39 average—some 40 million metric tons. By the end of fiscal 1966, this total had jumped to nearly 115 million tons.

Most striking volume increases have been in feedgrains and wheat; world rice trade is below prewar levels. Rice, however, accounts for less than 10 percent of world trade in cereals.

Trade in soybeans and soybean products has had an even more spectacular increase compared with prewar levels. Before World War II and even in the first decade after it, this trade was small. Today, the world's trade in soybeans is nearly 8 million tons; its trade in soybean oil, about 600,000; and its trade in soybean meal, about 2.5 million.

### Trade patterns have made a dramatic shift

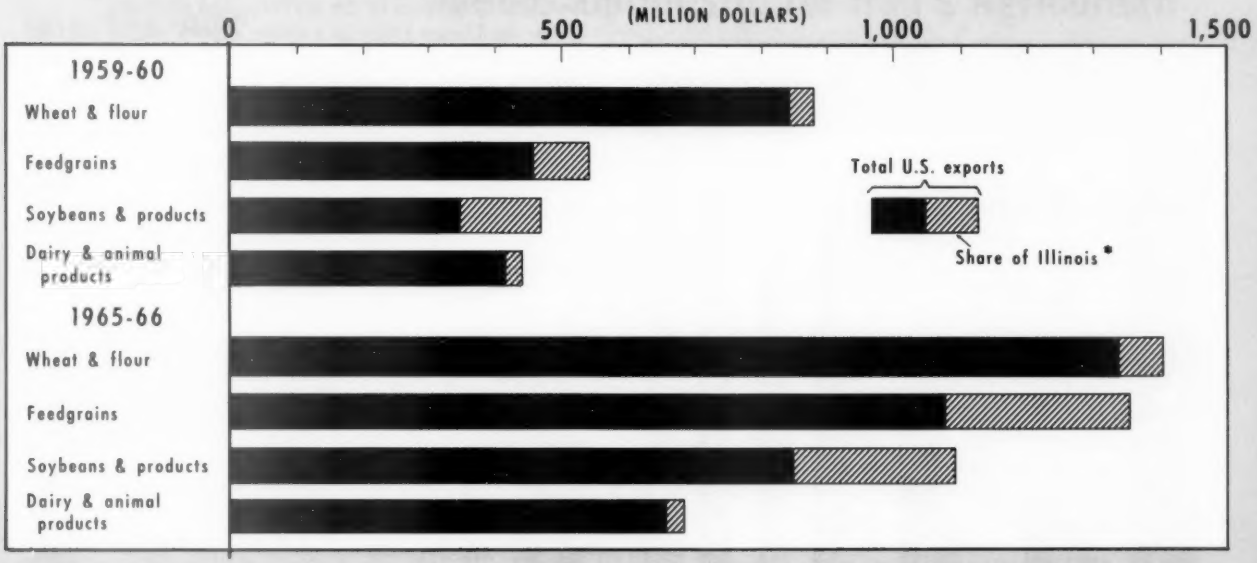
The change in the direction of world trade in both grains and soybean products has also been a dramatic one. In the 1930's, Western Europe was the primary grain importing region. Other regions were net exporters—even Asia, with over 2 million tons a year. Latin America was exporting 9 million tons, compared with North America's 5 million (most of which was Canadian grain). Eastern Europe and the USSR had exports almost equal to those of North America.

This situation has sharply changed in every region except Western Europe, which is still a net importer of close to 25 million tons of grain. Asia and Africa are now distinctly and consistently deficit areas. Latin America's net exports have shrunk to 2 million tons; those of Eastern Europe and the USSR have been transformed into net imports. The gap is

---

This article will be followed by one discussing some trade policy developments in EEC countries and their possible effect on U. S. export trends. Both are based on an address delivered Feb. 1 at the ninth Agricultural Industries Forum Grain Marketing Program of the University of Illinois by Lyle P. Schertz, Deputy Administrator of USDA's International Agricultural Development Service.

## THE SHARE OF ILLINOIS IN SOME PRINCIPAL U.S. AGRICULTURAL EXPORTS




* SHARE OF ILLINOIS DERIVED FROM CONTRIBUTION OF ITS PRODUCTION AND/OR SALES TO NATIONAL OUTPUT OR SALES OF EACH COMMODITY.

being filled by Oceania, which has raised its net exports from 3 million to 8 million tons, and North America, whose net exports have soared from 5 million tons to 60 million.

The shift of world grain trade toward North America has increased the U. S. share of the total to over 45 percent in 1965-66, in contrast with its 7 percent in the late 1930's. For wheat alone, the share has jumped to almost 40 percent; for feedgrains, an even more dramatic near-60 percent.

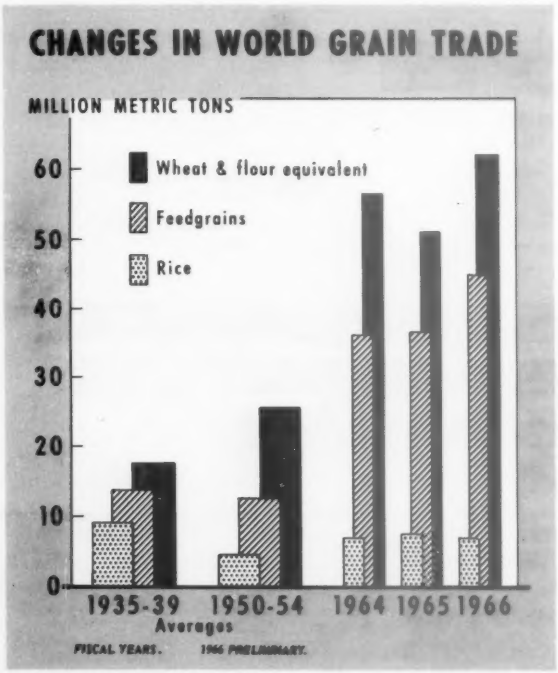
For soybeans, the shift in trade patterns is also startling. Before World War II, it was Mainland China that supplied most of the world's soybeans—about 90 percent of the total, although that total was much smaller than today. Today, it is the United States that dominates world trade in soybeans and their products, with over 90 percent of a total now amounting to more than $1.2 billion.

### Significance for total U. S. exports

Total U. S. agricultural exports too have risen steeply in recent years. The annual rate is just reaching the $7 billion mark, twice as much as in fiscal 1956. Practically all the increase has been in commercial trade, from $2.1 billion in fiscal 1956 to perhaps $5.5 billion in fiscal 1967. Concessional trade fluctuated in the 1950's just after Public Law 480 was passed, but it has been held remarkably stable at around $1.6 billion a year since 1961.

Feedgrains and oilseeds (especially soybeans and their products) have been particularly important in accounting for the increase in total U. S. farm exports. In 1959-60, feedgrain exports totaled $391 million; by 1965-66, at $1.2 billion, they had more than tripled. Exports of soybeans and products leaped from $368 million to $992 million.

Wheat and rice, the foodgrains, have also increased, but at a much slower rate; and, while practically all of the exports of feedgrains and oilseeds have been made on a commercial basis, a very large proportion of the wheat exports have been made on concessional terms to the developing countries.




## Where U. S. Feedgrains and Soybeans Go

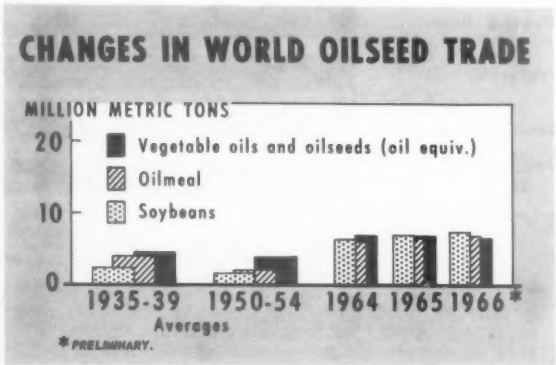
*Eight countries import more than 1 million tons of feedgrains annually from the United States. They are Japan, the United Kingdom, Canada, and five members of the European Economic Community—West Germany, Italy, Belgium and Luxembourg (an economic union), and the Netherlands. Japan is the largest importer, buying over 4.4 million metric tons in 1965-66. The EEC countries all together take about twice this much.*

*Italy and Japan are responsible for a large part of the increase in U. S. feedgrain exports during recent years. In 1959-60, U. S. exports to these two countries were 330,000 tons; by 1965-66, they were 7.2 million, providing 6.9 million tons of the increase in total feedgrain exports. Greece, Spain, and Mexico together accounted for another 2 million.*

*Over 75 percent of the feedgrain increase was due to 18 rapidly developing countries in the transitional stage, each with a per capita income of $200 to $600 a year and a per capita income growth rate of at least 2 percent. For soybeans, however, U. S. export growth has been associated with higher income countries (excepting Japan, which rates high as a market for both commodities). Big soybean markets are the Netherlands, West Germany, and Canada.*

Illinois has played an important part in the U.S. export expansion drama. As recently as 1953-54, its share of total U. S. agricultural exports was only 5 to 6 percent; but last fiscal year it accounted for 10 percent, more than any other State. Feedgrains and soybean products were largely responsible for this increasing share: Illinois contributed 21 percent of the feedgrains exported by the United States in 1965-66 and over 22 percent of the soybeans and products.

For the United States as a whole, exports during 1965-66 equaled 16 percent of 1965 production for corn and 42 percent for soybeans. If we assume the same percentages for Illinois, we get estimates of exports from that State amounting to 143 million bushels of corn and 73 million bushels of soybeans. However, Illinois soybeans have a reputation for high quality, so perhaps an even larger percentage of its soybean production went into foreign sales. Wheat exports, although of major importance to Illinois, provided slightly less than 5 percent of the $1.4-billion U. S. total.



# Tunisia To Expand Cooperative Farming Program With Help of $18-Million Loan

The World Bank and its affiliate, the International Development Association (IDA), in a joint operation, are providing the equivalent of $18 million to assist in financing a cooperative farming project in Tunisia. The Bank loan that has been approved will amount to $12 million, and the IDA credit to $6 million.

These funds will assist the Tunisian Government in carrying out its land reform program under which traditional subsistence small holdings, which offer little or no scope for effective development, are being merged into land owned by the government to form large production cooperative units. It is expected that this system will raise production to much higher levels and thereby increase the supply of food for domestic consumption. It would also expand agricultural export hearings and increase the income of Tunisian farmers.

Agricultural production represents about a quarter of Tunisia's gross national product, and agricultural products account for about two-thirds of total exports. Over half the labor force is employed in agriculture, many of them living on subsistence-level small holdings.

### Part of 10-year program

Cooperative farming in Tunisia commenced in 1961, and there are now 213 cooperatives on about 457,000 acres. The government intends to extend this system of land use as rapidly as it can and over the next 10 years plans to establish cooperatives on about 2,470,000 acres in northern Tunisia. The good climate and soils of the north make it the most productive zone; it is also served by an extensive network of paved roads and gravel feeder roads, while a railroad connects the main towns.

The project being assisted by the Bank and IDA financing is part of the government's 10-year program for the expansion of cooperative farming and an important element in the country's 1965-68 development plan. It provides for the establishment of 160 new cooperatives on about 2,470 acres each, over an area of 395,000 acres, the consolidation of the 213 existing cooperatives, and the provision of additional farm machinery and agricultural equipment to maintain productivity on state farms in the project area, which cover some 741,300 acres, and will eventually be absorbed into the cooperative movement.

### Agricultural investments

Investments to be financed under the project include farm buildings, mainly for centralized livestock production; farm machinery for large-scale mechanized grain production/harvesting and for forage harvesting; small-scale irrigation equipment to pump underground water for spray irrigation; the establishment of tree crops; the regeneration of range pastureland; soil and water conservation; the purchase of cattle and sheep; and managerial and technical assistance and feasibility studies.

Experts from the Food and Agriculture Organization of the United Nations (FAO) assisted in the preparation of the project under the Bank/FAO Cooperative Program.

Hard and soft wheat and olives will be the major crops in the cooperatives, supplemented by forage crops and the raising of livestock. Replacement of fallow by forage-crop production for the feeding of animals represents a significant change in the traditional land-use pattern in the project area. Most livestock in Tunisia has tended to be scavengers subsisting on the fringe of a cropping economy. The large output of forages under the new cropping system is expected to make available ample supplies of suitable food for improved animal production.

### Livestock stressed

Livestock production will be implemented by the establishment in cooperatives of small herds which will serve as the nucleus for milk production and/or the fattening of sheep and cattle. Tunisia now imports large quantities of meat and dairy products and larger domestic output would reduce these expenditures. Tree crops, including olives, almonds, citrus, and other fruits, will be grown on selected areas of some cooperatives, and vegetables will be grown where suitable.

The project should be completed in 4 years at a total cost estimated at the equivalent of $32.6 million. Government grants will cover the cost of social services, and development costs will be covered by loans from the Banque Nationale Agricole from funds derived from the government as well as from the Bank loan and IDA credit.

# Outlook Optimistic for Iran's Agriculture

Iran is expecting another good crop year as a result of the rain and snow that has been falling in many parts of the country in recent months.

Wheat production for 1966 is estimated at 3.19 million metric tons compared to 2.9 million the previous year. The favorable growing conditions plus expanded acreage are responsible for this increase.

The output of barley should remain about the same as last year, at 1 million tons. Milled rice, however, is estimated to show a rise—from 560,000 tons in 1965 to 580,000 tons.

This large rice output results from better utilization of fertilizers and better control of pests and diseases. During the 1966 planting period 450 tons of chemical fertilizers were used by rice farmers. Also, the introduction of intensive rice farming, known as the Japanese method, has helped boost yields.

This steady increase in rice production has made the storage of rice an urgent problem. The Ministry of Agriculture is now studying a plan to build four rice silos in Rasht, Fowman, Galesh Kheyl, and Rud Sar.

Another crop showing an increase is raisins—also because of good growing conditions, especially in Azerbaijan. This year's output is estimated at 65,000 tons compared with 43,000 tons a year ago. However, the marketing of this large crop is now a matter of great concern to the government, as most of the country's raisin output usually is shipped to Eastern Europe under barter deals.

The production of dried apricots, almonds, and walnuts has turned out to be substantially lower than in 1965. Sugar, at 250,000 tons, is 50,000 tons above last year's sugar output. And kenaf is higher too because of expanded acreage and the use of imported seed resistant to the Fusarium fungus which attacks the local variety.

—C. S. STEPHANIDES
*U.S. Agricultural Attaché, Iran*

# Marketing Boards: Managers of Australia's Farm Exports

*By CORNELIS DE GOEDE*
*Marketing Specialist*
*Office of U.S. Agricultural Attaché, Canberra*

Agricultural production in Australia has expanded sharply over the past 2 decades, in 1965-66 hitting a level that was 47 percent above 1948-49. Since gains in consumption have only paralleled population growth, Australia has depended increasingly upon export markets to take this added production—and on marketing boards to keep shipments moving abroad at competitive prices.

In recent years, agricultural exports, including wool, have accounted for about 70 percent of Australia's total export income, with foodstuffs alone providing nearly 40 percent. About 75 percent of these foodstuff exports have been handled by Commonwealth marketing boards, while an additional proportion has been handled or regulated by State boards and industry cooperatives.

## A well-established system

Organized marketing has been a feature of the Australian agricultural scene for many years now. The first Commonwealth marketing board was established in 1924, when the Australian Dried Fruits Export Control Board was created. Since then, many more marketing boards have been formed to handle the orderly disposal of exportable surpluses, to administer stabilization schemes, and/or to control internal marketing. At the present, there are 11 marketing boards created under Commonwealth or joint Commonwealth/State legislation, of which 9 are export boards.

The other two boards, the Australian Wool Board and the Australian Tobacco Board, are not concerned with export trade. The Australian Wool Board investigates and makes recommendations on wool marketing but has no authority to regulate trade in wool; it is, however, responsible for wool promotion in Australia and overseas. The Tobacco Marketing Board was established in 1965 to administer the Tobacco Stabilization Scheme, under which the domestic industry is enabled to provide for 50 percent of total Australian tobacco consumption.

The nine export marketing boards are the Australian Apple and Pear Board, the Canned Fruits Board, the Dairy Produce Board, the Dried Fruits Control Board, the Egg Board, the Honey Board, the Meat Board, the Wheat Board, and the Wine Board.

In addition, there are 50-odd marketing boards that operate under State legislation; their main function is to control marketing of commodities within the States. Such boards are important in the export marketing field only when they control all or at least a major proportion of total production. The major State export boards are the Queensland Sugar Board, the Australian Barley Board, the Queensland Barley Board, the West Australian Barley Board, the Queensland Grain Sorghum Board, and the New South Wales Rice Marketing Board. Some smaller State boards, such as the Queensland Ginger Marketing Board, cater effectively to the needs of minor industries.

## Patterned after wartime trading

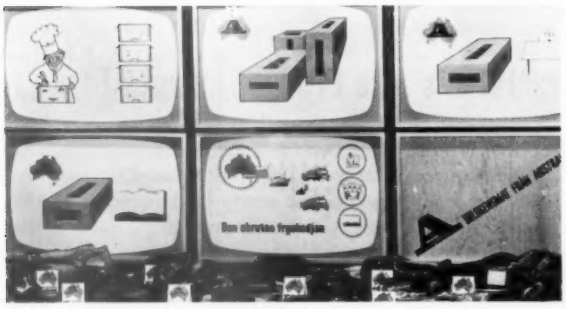
Prior to World War II, all the Commonwealth marketing boards were regulatory or control organizations and did not engage in actual trading. However, during the war, Commonwealth powers under the National Security Regulations plus the bulk-contract system of trading with the United Kingdom made centralized trading possible.

*In-store display of Australian canned fruits at the Dionne Stores, Montreal, was sponsored in part by the Australian Canned Fruits Board.*

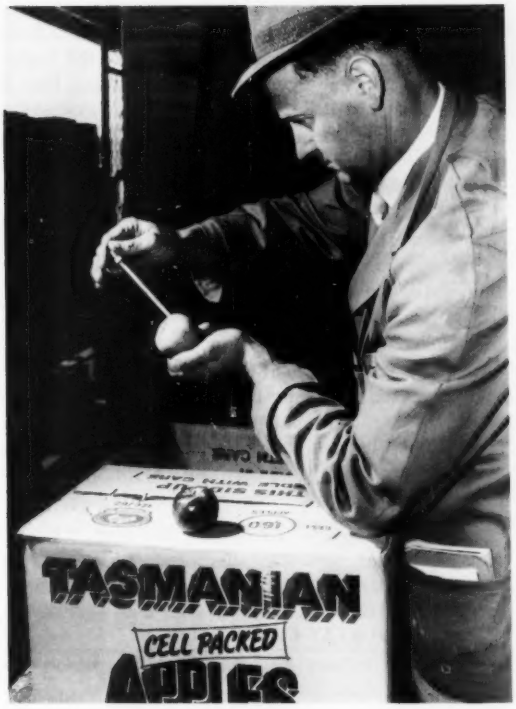
This wartime experience made producers more aware of the advantages of comprehensive marketing schemes, and in subsequent years, there has been a distinct transition in board functions from purely regulatory to full trading powers. Most boards now are empowered to trade overseas in the commodities with which they are concerned, although in some cases this right is restricted to a given set of circumstances. However, at present, only the Australian Wheat Board, the Dairy Produce Board, and the Egg Board could be classified as full-trading boards.

The primary function of the marketing boards is, of course, to maximize returns to producers. In the early years of orderly marketing, this was largely achieved by tailoring supply to demand and by stabilizing prices, often in conjunction with limits on plantings. However, in recent years, the need to increase export earnings has led to emphasis on expansion in production, more efficient handling, and aggressive marketing and to more government assistance in the form of stabilization schemes with minimum price guarantees or fixed subsidy payments.

These changed circumstances have greatly increased the responsibilities of most boards, and their supervision of the export trade is extremely comprehensive. They may establish minimum or fixed prices for certain commodities, impose conditions of sale such as consignment or forward sales, license exporters and agents overseas, standardize com-



*Above, a Peruvian homemaker purchases a packet of Australian butter. Below, cuts of meat are displayed in one of the Australian Meat Board's exhibits.*




*Inspector, above, checks temperature of apples before loading at Hobart wharf. Marketing boards help insure maintenance of high quality for Australian commodity exports.*

mission rates, establish opening and final shipping dates, nominate marine insurance agents, and limit exports to certain types or sizes of products.

All the boards are extremely active in the field of market development and promotion.

In earlier years, such activities were largely confined to the United Kingdom, which constituted the major, and in some cases only, market for board products. The earliest move to coordinate publicity and promotion in the United Kingdom was made in 1926 with establishment of the Overseas Trade Publicity Committee. Under this scheme, participating organizations contributed to a publicity fund, and these contributions were matched by the Commonwealth Government. During the Second World War and for some years after, this scheme was suspended, but it was set up again in 1953.

The first postwar promotion campaign of the committee was initiated in 1955-56, and since that time, the organization has conducted a well-coordinated promotion and publicity program for fresh, canned, and dried fruit; dairy products; meat; wine; and eggs. Membership of the committee comprises a representative of the Department of Trade as chairman, a representative of the Department of Primary Industry as deputy chairman, the chairmen of eight Commonwealth marketing boards (the Wheat Board does not participate), and an executive member.

Financing for the Overseas Trade Publicity Committee's operations comes from contributions by marketing boards that are members and the Commonwealth Government. For fiscal 1966, the budget of the committee was A$1,620,000 of which half was contributed by the marketing boards. Such contributions, however, cover joint government/board campaigns only. In addition, the boards and/or individual suppliers undertake promotions outside the Committee.

Since 1963-64, Overseas Trade Publicity Committee activities have been extended to Europe and other areas, and each year, additional funds have been made available by the boards and the government for this purpose.

The boards also play a significant part in determining export standards, as their overseas representatives keep close watch on the acceptability, or otherwise, of the various types and grades of products offered. In many instances, the boards make recommendations to the Department of Primary Industry—which enforces export standards—for changes in inspection standards that could improve acceptability, or product image. As a result, quality standards have been brought to a high level and are kept under constant review to meet changing conditions.

### Financed in several ways

The marketing boards are financed in a variety of ways, mostly by levies imposed on products at various stages in the marketing chain. The Australian Wheat Board is an exception, in that it deducts its administrative and other expenses from the seasonal pool before distribution of final payments. The Australian Meat Board derives its revenue from a levy on livestock slaughter, while the Wine Board

imposes a levy on grapes delivered to wineries. The Australian Honey Board is financed through a levy on domestic sales; and the Dried Fruits Control Board, the Dairy Produce Board, the Egg Board, and the Apple and Pear Board are all financed by levies on exports. The Australian Canned Fruits Board, on the other hand, has an export levy, plus an excise tax on canned deciduous fruit sold in Australia.

The boards spend their revenue in a number of ways, but the bulk of the money goes for administration and market promotion. These funds are generally not used to finance trading operations, as the major trading boards can obtain financing at advantageous interest rates from the Rural Credits Department of the Reserve Bank.

The marketing boards for agricultural products generally have served the Australian farmer well. In many instances, they have stabilized domestic prices at levels compensating the farmers, to some extent, for the tariff-induced higher costs of imported and domestic industrial goods; and they have often successfully opposed entry of foreign competitive products. In export markets, these boards have improved returns by eliminating competition between a large number of individual exporters in the same market. Their ability to spread shipments over certain periods of time or various destinations has prevented, or at least minimized, gluts in important markets. Moreover, some boards have made great savings in handling costs by providing bulk handling facilities, which normally could only be financed on a governmental or semigovernmental basis, or by direct charter of ships for export cargoes, as in the case of the Wheat Board.

The marketing boards have also been helpful to Australian farmers in a political sense. Since farmers affected by the boards represent a large block of voters, the government takes careful notice of any representations by boards.

Increasing competition in Australia's traditional markets, the need to develop new markets, plus the possible loss of British preferences if that country joins the Common Market, seem to point to even greater centralization of marketing and promotion in the future. An increasing number of producers, previously jealously independent of government "interference," are becoming aware of the benefits organized marketing could confer both in the domestic and export markets. Hence, it may be expected that producers of a number of commodities not now covered by Commonwealth marketing boards will enlist this flexible and efficient tool to stabilize or improve their returns in years to come.

AUSTRALIAN FOODSTUFFS EXPORTS CONTROLLED BY STATUTORY MARKETING BOARDS AND INDUSTRY COOPERATIVES, 1965-66

| Type of board and commodity | Exports | |
|---|---|---|
| | Value | Share of total |
| | *Mil. Aus. dollars* | *Percent* |
| Commonwealth trading boards: | | |
| Wheat and flour | 290.2 | – |
| Butter | 56.0 | – |
| Cheese | 13.6 | – |
| Eggs | 4.6 | – |
| Skim milk powder | 5.5 | – |
| Ghee | 1.7 | – |
| Total | 371.6 | 38.5 |
| Commonwealth regulatory boards: | | |
| Meat (all types) | 287.9 | – |
| Wine | 3.6 | – |
| Dried fruits | 28.5 | – |
| Canned fruits | 38.5 | – |
| Apples and pears | 33.3 | – |
| Honey | 1.6 | – |
| Total | 393.4 | 40.8 |
| State trading boards: | | |
| Sugar | 93.9 | – |
| Sorghum | .6 | – |
| Barley | 11.5 | – |
| Total | 106.0 | 11.0 |
| Cooperatives: | | |
| Rice | 8.1 | – |
| Citrus fruits | 3.7 | – |
| Oats | 11.4 | – |
| Total | 23.2 | 2.4 |
| Other commodities: | | |
| Milk products | 12.9 | – |
| Other animal | 11.0 | – |
| Fish | 24.6 | – |
| Fodder | 1.4 | – |
| Other vegetable | 20.8 | – |
| Total | 70.7 | 7.3 |
| Grand total | 964.9 | 100.0 |

A$1.00 = about U.S. $1.12.

## Pakistan's Jute Product Exports Rise

Exports of jute products by Pakistan rose by more than half in 1965-66, to a record 338,808 metric tons from 219,700 the previous fiscal year. Shipments to the United States, the major market, rose nearly 62 percent, to 51,688 tons. Preliminary reports indicate a good export year in the making for 1966-67 also, with shipments considerably higher in late 1966 than they had been in late 1965. These increases, however, are less a sign of absolute gain than of recovery from the trade dislocation caused by Pakistan's 1965 border dispute with India.

Pakistan, second biggest U.S. source of jute fabric (mostly burlap) increased its 1965-66 sales to the United States at the expense of India. Although India was still the No. 1 U.S. supplier of jute products, it had a tight supply situation due to the border dispute (which had greatly reduced Pakistan as a source of fiber) and to its own 1965 slump in raw jute production.

Pakistan, on the other hand, had processed more of its own raw fiber output than usual during 1965 because the border crisis was hampering its fiber exports. Thus it had larger supplies of jute products ready in 1965-66 to fill the gap left by India's smaller shipments.

Important also in Pakistan's 1965-66 total was the African market. Shipments to African countries added up to more than 105,000 metric tons, over twice the quantity recorded for the year before. Burlap bags are in increasing demand in Africa, especially for cotton harvesting in the Sudan, Uganda, and western Africa.

Exports to Canada, the United Kingdom, Chile, Uruguay, and Belgium were also more than double those for the previous year. And two small but growing markets were Mainland China and Indonesia. China became a new customer in fiscal 1965, with purchases of 1,090 metric tons; in fiscal 1966, it bought 6,890, more than six times as much. Indonesia returned as a customer in fiscal 1966, buying 6,612 tons compared with none the year before.

# Tiny Belgium-Luxembourg a Giant in World Farm Trade

*By CLAYTON E. WHIPPLE*
*U.S. Agricultural Attaché, Brussels*

The Belgium-Luxembourg Economic Union (BLEU), though small in size and population, is one of the world's leading foreign traders: while forging a reputation as an industrial exporter, it has become a leading purchaser of farm products and a major dollar market for agricultural items from the United States.

Indeed, the Union's livelihood depends on foreign trade. Though its total population is only 5 percent of that in the United States, BLEU exports 20 percent as many products as this country does. BLEU's exports in 1965 totaled $6,382 million, of which $532 million went to the United States, and imports were $6,374 million with $550 million from the United States. (Import figures include transshipments moving out of the free port of Antwerp, which are partly compensated for by transshipments to Belgium-Luxembourg from other countries, chiefly from the Netherlands.)

BLEU's per capita foreign trade is among the highest in the world; and 40 percent of its GNP comes from exports, with no less than 70 percent of the industrial production moving into foreign trade.

### Billion-dollar farm market

BLEU is also a member of the so-called billion-dollar club—eight countries, including the United States, that import more than a billion dollars' worth of agricultural commodities annually. Agricultural purchases (including transshipments) by BLEU in 1965 totaled $1,157 million compared with $1,050 million in 1965. Most important of these were wool, grains, fruits and vegetables, cotton, tobacco, oilseeds, and fats and oils.

While some of BLEU's agricultural imports—fruits and vegetables, beverages, and tropical products—supplement the area's food supply, the larger share serves the economy in other ways. Sizable takings of cotton and wool and of feedgrains and feed concentrates, for instance, support BLEU's flourishing export trade in textiles and in livestock and dairy products. And some of the wool and about a fourth of the grain imports are important to the Union's transshipments to other European nations.

### Big U.S. customer

Supplying a large share of BLEU's import needs is the United States, which, when including transshipments, counts BLEU as its eighth largest dollar market for agricultural products on a value basis and third largest on a per capita basis.

BLEU is also an expanding U.S. market. In 1965-66, the United States shipped $183 million of agricultural commodities (including transshipments) to BLEU, or 19 percent more than in 1964-65 and 40 percent more than in 1961-62. Per capita sales to the country rose to $18.67 from $16.67 in 1964-65 and from the average of $12.91 in 1959-

*U.S. foods were featured last October in this and other stores of the Delhaize Frères et Cie. LeLion chain. Such promotions help keep our farm trade with Belgium on the rise.*

61. By comparison, U.S. agricultural exports to the EEC as a whole averaged about $8.60 per person in 1965-66.

(The United States imported only $15 million worth of agricultural products from BLEU in 1965-66, a record for such imports.)

The importance of agricultural products in BLEU's total imports from the United States is increasing, in 1965-66 representing one-third of BLEU imports from the United States.

### Variable levy items

Commodities subject to variable levies of the EEC provide the larger share—$103 million in 1965-66—of this U.S.-BLEU trade. Feedgrains exported to BLEU by the United States amounted to $90 million in 1965-66, or 87 percent of the variable levy volume; this was an increase of 66 percent over 1961-62. Wheat contributed $10 million and the remaining $3 million came from rice, other cereals, dairy products, turkeys, and turkey parts.

About $80 million of non-variable-levy commodities were sold to BLEU by the United States in 1965-66. A record sale of soybeans amounted to $24 million, 27 percent above 1964-65 and 72 percent above 1961-62. Oilcake and meal sales held up well, bringing in almost $13 million. Tobacco sales were relatively high at $10.5 million, and fruit and vegetable sales rose slightly to $14.5 million.

The sale of U.S. cotton, as in other countries, was the smallest in the last 5 years but should improve as stocks are low. The Belgian textile industry is finding the present U.S. pricing program attractive; this, together with reorganization of the local industry, should improve the U.S. position in BLEU's cotton market.

Also major suppliers to BLEU are fellow members of the EEC, and the Netherlands in particular. BLEU's agricultural imports from the Community in 1965 totaled $385 million—practically the same as its farm exports to EEC countries. Most important of these imports were dairy products, $70 million; fruits and vegetables, $60 million; and grains, $50 million. In addition, the developing countries sent $294 million of farm products to BLEU in 1965; Australia, $53 million; and Eastern Europe, $33 million.

### Market development paying off

An excellent hard money market, BLEU is the focal point of heavy sales competition among agricultural suppliers. The United States is meeting this challenge through its aggressive market development program and appears to be succeeding despite handicaps imposed by variable levies, calendar restrictions, and other import barriers of the EEC.

Through the U.S. program, contacts are made and developed with BLEU importers and trade outlets. Also, an in-store promotion campaign in October 1966, with a large chain of supermarkets has helped develop markets for many new products—among them canned goods and mixes—and to expand sales of traditional items. This had led to increased purchases of U.S. products by other chains and by many of the smaller stores.

## Australia-Ceylon Trade

The Australian Government has just announced the extension of a trade pact with Ceylon for another 2-year period. The arrangements, which involve mainly the sale of flour to Ceylon, have been subject to periodic renewal since 1958.

Terms of the present agreement call for the shipment of 200,000 tons of Australian flour to Ceylon during 1967. This is the largest single sale of flour to Ceylon and one of the largest flour contracts negotiated by the Australian Wheat Board. The sale was made on extended payment terms.

In the bilateral terms of the negotiation the Australian Government has agreed to purchase tea, desiccated coconut, tobacco, and cottage industry products from Ceylon.

## More Fertilizer in Korea

South Korea will become self-sufficient in fertilizers this year. Korea has an annual demand for 780,000 metric tons of fertilizer but previously only had two plants with a combined output of 170,000 tons.

This month the Korea Fertilizer Company near Pusan will begin full-scale operation; its capacity is 330,000 tons a year. The factory incorporated a new urea manufacturing process using naphtha as the principal raw material, and is said to be capable of manufacturing urea at a production cost of $72 per ton.

Two other fertilizer plants are scheduled to open in April, each with a yearly production capacity of 180,000 tons of mixed fertilizer and 8,500 tons of urea.

Total output from the five plants is rated at 814,000 tons, about 35,000 tons greater than current domestic use.

## Malawi Agriculture Gains

Malawi, formerly known as Nyasaland, has just completed a good agricultural year, with regard to both food and export crops.

Corn, the country's chief food, reached its highest level, with a record surplus of 60,000 tons. Of the country's export crops, peanuts had a peak production of 42,000 tons. Fire-cured tobacco grown by local farmers amounted to 22 million pounds, and flue-cured grown on estates to 2.7 million. Cotton, however, suffered from insufficient rains in the main growing area so did not reach the output target.

Improved corn and peanut seeds are now being made available to farmers. Also, there are plans to expand corn acreage from 2,000 to 12,000 acres.

## Peru's Fishmeal Stocks

Fishmeal, a feed protein supplement, has now become Peru's foremost earner of foreign exchange. Today this industry is in serious difficulty because of mounting stocks and low market prices. Also, the current fishing season is producing record catches.

Peru's fishmeal inventories had already reached 400,000 metric tons at the end of 1966 and were forecast at 600,000 tons by the end of January of this year. As a result, the Institute del Mer recommended a 6-week suspension of fishing commencing February 1, with a maximum allowable catch of 8 million tons of fish by season's end.

## New High-Protein Food

A Norwegian food-processing firm has developed a canned high-protein fish paste which, according to the Norwegian Agency for International Development, can be processed into food for food-deficit countries.

The product is based on herring with skimmed milk and fats added and contains 2,500 calories per kilogram. The firm that developed the paste claims that it can be produced for 35 cents per kilogram and that on a mass production basis the cost can be reduced even further.

# FAS Announces New Feature in U.S. Exhibits at Overseas Fairs

U.S. participation in four international trade fairs will take on a new dimension this year to permit American food firms to introduce and sell new products in overseas markets. The fairs will be held in Scotland, England, Ireland, and France.

For the first time, U.S. exhibits at these fairs will include a special section for products not sold or previously offered for sale in the area of the exhibition, even though they may have been introduced in other parts of the same country.

Firms need supply only a minimum of five cases of the product for exhibition and sale, allowing 10 percent for demonstrations and free samples. Grocery Manufacturers of America, cosponsor with the Foreign Agricultural Service of the four exhibits, will assign a professional merchandiser to direct the display, demonstration, and sale of products. After the exhibit, net proceeds and trade inquiries will be sent to manufacturers' home offices.

### The trade fairs

The four trade fairs at which U.S. exhibits will feature new-product areas are: Ideal Home Exhibition, Edinburgh, Scotland, Apr. 19-May 6; First International Food Fair, Dublin, Ireland, Sept. 7-16; Yorkshire Food Fair, Leeds, England, Sept. 20-30; National Fair of Food, Wine, and Gastronomy, Dijon, France, Nov. 4-12.

Participation agreements for any or all of these fairs are available from the International Trade Fairs Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D. C. 20250. Deadline for their return is March 17.

Each participating firm will be limited to three canned, packaged, or frozen food products. Because of space limitations, only about 100 products can be accommodated at each exhibit. Display space will be free, but 25 percent of retail sales receipts for all products will be withheld to help defray operational costs.

### Furnish product, price data

Chief responsibility of the manufacturer will be to furnish a sufficient supply of the product and to pay the cost of shipping, freight forwarding, and import duty. Producers are also asked to suggest a minimum and maximum retail price for each item, taking into consideration cost of the product and shipping charges.

The GMA-appointed representative will take it from there. He will help set a fair competitive retail price, oversee the day-to-day operations of the new-products exhibit, relay trade inquiries and refer potential foreign agents to manufacturers, evaluate consumer reaction to each product and make a final account of products sold.

While the products are being offered for sale, professional food demonstrators will prepare the foods on display and offer samples to the public.

In addition to a new-products area, U.S. participation at each of the four fairs will include commodity booths sponsored by industry-wide U.S. organizations, a sales area where foreign agents of U.S. firms will sell established food lines, a small trade lounge for business purposes, and a publicity campaign in the trade-fair area to bring out the public and trade.

### Good potential markets

All four fairs are in markets of high consumer buying power where American foods have not yet been promoted to any great extent.

The markets have several things in common: Per capita incomes are high, supermarket numbers are rising, and convenience foods are growing in popularity. In Edinburgh, an in-store promotion has been arranged with one of the city's largest food firms and will run simultaneously with the fair. Negotiations are under way for similar events to coincide with or follow the other three fairs.

## Prominent Berliner Visits U.S. Soybean Exhibit

One of the thousands of visitors to the U.S. Pavilion at this year's Berlin International Green Week in West Germany was Vice Chancellor Willy Brandt. At the booth of the Soybean Council of America, Inc., he tasted miniature doughnuts fried in soybean oil, then (above) offered one to Mrs. John F. Franklin, Jr.—wife of Major General Franklin, Deputy Chief of U.S. Mission, Berlin. General Franklin, at Mr. Brandt's right, escorted visiting dignitaries through the U.S. Pavilion. Dr. Karl W. Fangauf, SCA's director in West Germany, is at left.

Virtually all visitors to this 2-week event stopped at the American Pavilion, where German importers exhibited and sold U.S. food products. During the fair's first week, these exhibitors reported a good volume of sales. In all, 1,160 German firms exhibited at Green Week, promoting the products supplied by 37 nations.

# U.S. Wheat Show in Tokyo Trade Center to Feature Seminars

One of the strongest bids for continuing good business with Japan—the United States and the world's best customer for wheat—will be made next week when FAS and Wheat Associates, U.S.A., open the U.S. Wheat Exhibit and Seminar in Tokyo. The March 13-24 show will be the first agricultural show at the U.S. Trade Center this year.

To maintain and further promote sales of American wheat through this show, U.S. specialists participating will be zeroing in on the high quality of American wheat and the reliability of trade with the United States. Their audience will consist of an invited group of Japanese commercial bakers, selected food retailers, supermarket operators, restaurateurs, home economists, chefs, nutritionists, grain traders, flour millers, government officials, and others.

### Specialists to hold seminars

Five prominent U.S. wheat experts will take part, heading up seminars which will show the Japanese how much special care and handling goes into growing and marketing the wheat American exporters sell them. Wheat breeding specialist Dr. Karl S. Quisenberry, formerly with USDA's Agricultural Research Service, will be among them. He will conduct a seminar on how wheat is specially grown to satisfy the demands of U.S. customers, Japan included.

USDA grain grading expert Edward B. Leibe will lead a seminar on how wheat is graded by type. Photographs of the process, wheat samples, and models of equipment used will be on display.

William Fisher, representative of the North American Grain Exporters Association, will explain the marketing system which moves American wheat from the U.S. farm to Japanese docks.

### Publicity techniques

A seminar is also being arranged to show the Japanese tradesmen a number of advertising and merchandising techniques which can help popularize wheat foods with the Japanese housewife. Lawrence Knight of the U.S. Wheat Flour Institute will head it up.

Well-known baking technician Walter Frey will also be on hand to show Japanese bakers and confectioners how best to use the American wheat they purchase.

Concurrent with the seminars will be an exhibit of the American wheat foods available to the Japanese market. Pasta products, dairy-case pastries, cake mixes, and frozen pies will be among the items shown.

Sales of U.S. wheat to Japan hit a fourth consecutive record in 1966, with total purchases reaching 2,030,242 metric tons. Along with sales, consumption of wheat flour products in Japan is also rising. The rate is 4 percent a year, while the population increase is holding steady at about 1 percent. Noodles alone account for 43 percent of all wheat flour consumed.

Increased sales and increased consumption are largely the result of a vigorous market development program for U.S. wheat foods in Japan. The year 1967 marks 10 years of market development for American wheat in Japan and a 100-percent increase in sales since the program began.

FAS and Wheat Associates started promoting U.S. wheat in Japan in 1956, aiming their initial efforts principally at showing how U.S. wheat could be used by the traditionally rice-eating Japanese. At that time, Japan's economy was relatively weak and a portion of their wheat requirements was provided under a P.L. 480 program.

The program began with an exchange of teams between Japan and the United States and a U.S. wheat exhibit at the Japan International Trade Fair. Between 1956 and 1959, institutional and educational projects were carried out with Japanese government agencies from wheat organization offices in Tokyo.

### Introduction of the "hard sell"

Increased use of wheat began to develop. When the Japanese economy had improved and Japan became a cash market, the market development program was re-evaluated and redirected to a more "hard sell" approach.

Wheat Associates began an intensified program with the Japanese trade and started work in developing and organizing activities with organizations of Japanese wheat processors. No such organizations existed in 1956, but there are 13 today, each representing a different group of wheat processors.

# Stage Set for State Displays in Two Fall Food Shows

Letters went out last month from Secretary of Agriculture Orville L. Freeman to the Governors of the 50 States, alerting each of them to two special opportunities for increasing exports of their State's food and agricultural products.

The opportunities are two U.S. exhibits to be staged in Europe this fall by the Foreign Agricultural Service. One will be in Cologne, West Germany, September 30 through October 8. The other will be in London, England, October 12-20. Both exhibits will feature a Hall of States, where each State participating will have a booth in which to display to the public the processed or native products it has available for export.

Since the two exhibits are scheduled in tandem it will be possible for the States to coordinate their participation in both.

At Cologne, the U.S. exhibit will be at ANUGA—International Exhibition of Fine Foods and Provisions. This event, which takes place every other year, is the largest trade-oriented show in Europe. At ANUGA in 1965 some 2,500 exhibitors from 68 countries drew 231,700 visitors. Many firms who exhibit at this show go not only to do business but also to see new products, exchange ideas, discuss trade problems, and build good business relationships with trade contacts.

At ANUGA this year, the U.S. exhibit will have both public and private display areas. In addition to the Hall of States, the public area will provide space for displays of U.S. commodity groups that cooperate with Foreign Agricultural Service in market development abroad. The private area, with facilities for individual U.S. firms, will be open only to businessmen.

The London show—an exhibition of American fresh and processed foods at the U.S. Trade Center—will be for trade visitors only.

A Hall of States was included in a U.S. exhibit for the first time last fall at another large West German trade fair, the IKOFA at Munich. Contacts and sales reported by several of the States that participated at that show led to the expansion of this feature in 1967 exhibits.

# U.S. Shipments of Lard in 1966 Again Down Sharply

Exports of lard from the United States totaled 158 million pounds in 1966, a decline of 37 percent following the sharp decline of 63 percent in 1965. The 1966 level was 524 million pounds less than 1964 exports and 387 million pounds less than the 1956-60 average.

Practically all of the drop came in the exports of lard to the United Kingdom. Only 100 million pounds were exported to the United Kingdom in 1966, compared with 203 million in 1965 and 550 million in 1964. Exports to Canada and Mexico increased during 1966, while sales to other countries remained near 1965 levels.

U.S. production was low and prices were high throughout most of 1966 because of reduced hog production and slaughter. However, as hog slaughter began to increase in the latter part of the year, U.S. quantities of lard began to rise, and prices declined making U.S. lard more competitive in the world market.

The United Kingdom continues to be the primary export market for U.S. lard. Last year, the United States supplied 29 percent of the total lard imported by the United Kingdom. This was down from the 54.5 percent of the market supplied in 1965. Belgium supplied a greater share of the U.K. market in 1966, as did Poland and Romania.

U.S. lard production is forecast to increase throughout this year. Domestic use is expected to increase some as lard supplies increase and prices decline. The quantities of lard available for export also are expected to be larger in 1967. Last year exports were down sharply as a result of short domestic supplies and high prices. Increased competition from Europe also tended to limit the amount exported from this country. Supplies of lard will be shorter in Western Europe in 1967, as hog slaughter is expected to be down. This should lead to greater U.S. lard exports.

U.S. EXPORTS OF LARD [1]

| Country | Average 1956-60 | 1963 | 1964 | 1965 | 1966 [2] |
|---|---|---|---|---|---|
| | *Million pounds* | *Million pounds* | *Million pounds* | *Million pounds* | *Million pounds* |
| United Kingdom | 216 | 436 | 550 | 203 | 100 |
| Canada | 15 | 15 | 15 | 13 | 18 |
| Mexico | 12 | 11 | 7 | 11 | 15 |
| Haiti | 7 | 6 | 7 | 6 | 7 |
| British Honduras | 1 | 2 | 2 | 3 | 3 |
| Germany, West | 31 | 19 | 18 | 4 | 3 |
| Belgium | [3] | 1 | 1 | [3] | 2 |
| Panama | 5 | 3 | 3 | 3 | 2 |
| Japan | [3] | 1 | 2 | 3 | 1 |
| Bolivia | 4 | 7 | 16 | 2 | [3] |
| Brazil | 3 | – | 19 | [3] | – |
| Yugoslavia | .35 | 14 | 16 | – | – |
| Chile | 1 | 2 | 1 | – | – |
| Cuba | 183 | – | – | – | – |
| Others | 32 | 21 | 25 | 3 | 7 |
| Total | 545 | 538 | 682 | 251 | 158 |

[1] Incl. rendered fat. [2] Preliminary. [3] Less than 500,000 lbs.

# France and Yugoslavia Lower Their 1966 Prune Estimates

The 1966 prune packs of Yugoslavia and France did not come up to expectations, and estimates for these countries – the second and third largest prune producers behind the United States – have been reduced accordingly. Their packs are, however, still well above 1965 levels, and in France output is the largest in 36 years.

France's dried-prune pack is now estimated at 13,500 short tons, a 1,000-ton reduction from the estimate last reported (*Foreign Agriculture*, Oct. 3, 1966). Even at 13,500 tons the pack is the largest since 1930. The 1965 pack has been revised 1,000 tons upward, to 9,300.

The estimate of beginning stocks (Aug. 1, 1966) has also been revised upward, to 3,300 tons. These reportedly consisted of 1,300 tons of French prunes and 2,000 of California prunes and are considered abnormally large by the French trade. Stocks at the end of this season are expected to be smaller.

The forecast of 1966-67 imports remains unchanged at 3,500 tons – down sharply from the 9,000 tons imported in 1965-66. Sales to France of U.S. prunes, which accounted

FRANCE'S SUPPLY AND DISTRIBUTION OF DRIED PRUNES

| Item | 1964-65 | 1965-66 | 1966-67 [1] |
|---|---|---|---|
| | *Short tons* | *Short tons* | *Short tons* |
| Beginning stocks (Aug. 1) | 1,300 | 1,300 | 3,300 |
| Production | 8,300 | 9,300 | 13,500 |
| Imports | 5,600 | 9,000 | 3,500 |
| Total supply | 15,200 | 19,600 | 20,300 |
| Exports | 500 | 300 | 1,500 |
| Domestic disappearance | 14,400 | 16,000 | 16,700 |
| Ending stocks (July 31) | 300 | 3,300 | 2,100 |
| Total distribution | 15,200 | 19,600 | 20,300 |

[1] Estimate.

FRENCH DRIED PRUNE PRICES, [1] MID-JANUARY

| Number of prunes per pound and per one-half kilogram | 1966 | 1967 |
|---|---|---|
| | *U.S. cents per lb.* | *U.S. cents per lb.* |
| 20 to 30 (22 to 33) | 38.0 | 46.3 |
| 30 to 40 (33 to 44) | 38.0 | 37.0 |
| 40 to 50 (44 to 55) | 31.5 | 30.5 |
| 50 to 60 (55 to 66) | 28.7 | 26.4 |
| 60 to 70 (66 to 77) | 27.8 | 24.5 |
| 70 to 80 (77 to 88) | 25.5 | 22.2 |
| 80 to 90 (88 to 99) | 23.1 | 17.6 |

[1] F.o.b. French processing plants.

for 97 percent of French imports last season, will therefore be much smaller. U.S. exports to France so far this season are much below those in the comparable period last season but continue to dominate French imports.

Prices of French prunes, f.o.b. factory (in the Lotet-Garonne area), in mid-January 1967 were cheaper than those quoted a year earlier but still substantially higher than f.o.b. California prices.

The estimate of 1966 dried prune production in Yugoslavia—still tentative—has been reduced to 24,000 short tons, a 6,000-ton cut from the estimate published in the September 26, 1966, issue of *Foreign Agriculture*. At 24,000 tons, the 1966 pack is far above the short 1965 pack of 6,400 tons but 11 percent below the 5-year (1960-64) average of 27,000.

The 1966 crop of fresh prunes and plums was substantially above the 1965 crop—tentatively 803,000 tons compared with 440,000—but still below average. Storms in June and July 1966, with strong winds and hail, did a great deal of damage to the prune crop in some parts of the country. The number of bearing-age trees increased by 3 percent to 67.5 million in 1966. Yield per tree increased to 11.9 pounds (tentative figure), fresh basis, from 6.6 pounds in 1965.

Exports in 1966-67 are expected to recover from the depressed 1965-66 level and may possibly exceed 16,000 tons. This volume would be double the 1965-66 tonnage, estimated at 8,000 tons. The average (1960-64) export volume is 20,500 tons.

To encourage production of fresh and dried prunes, the Yugoslav Government has announced purchase prices for the 1967 crop. The price for first-quality fresh prunes of the variety "Pozegaca" will be 0.45 dinars per kilogram for the size equivalent to 100 per kilogram (45 per pound), dried basis. The price for dried prunes, also of the Pozegaca variety (the one used for drying), is guaranteed at 2.50 dinars per kilogram.

Supply and distribution figures for previous years have been revised, the main change being increases in domestic disappearance to allow for diversion of dried prunes to other uses and for losses from waste in spoilage. The stock figures have been correspondingly reduced.

YUGOSLAVIA'S SUPPLY AND DISTRIBUTION OF DRIED PRUNES[1]

| Item | 1961 | 1962 | 1963 | 1964 | 1965 | 1966[2] |
|---|---|---|---|---|---|---|
| | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* |
| Beginning stocks (Oct. 1) | 2.8 | 16.5 | 8.8 | 2.9 | 9.3 | 1.4 |
| Production | 43.3 | 31.0 | 23.9 | 34.0 | 6.4 | 24.0 |
| Total supply | 46.1 | 47.5 | 32.7 | 36.9 | 15.7 | 25.4 |
| Exports | 16.6 | 29.5 | 24.3 | 18.7 | [4] 8.0 | 16.5 |
| Domestic disappearance[3] | 13.0 | 9.2 | 5.5 | 8.9 | [4] 6.3 | 6.5 |
| Ending stocks (Sept. 30) | 16.5 | 8.8 | 2.9 | 9.3 | [4] 1.4 | 2.4 |
| Total distribution | 46.1 | 47.5 | 32.7 | 36.9 | 15.7 | 25.4 |

[1] Crop year beginning October 1.

[2] Preliminary estimates for supply items; forecasts for distribution items.

[3] Includes uses as jam and brandy and losses from waste and spoilage.

[4] Preliminary.

## Spanish Almond Estimate Lowered

Spain's 1966 almond crop is now believed to be somewhat below earlier estimates. The 1966 harvest is now set at 41,000 short tons shelled basis—down 7 percent from the earlier estimate but still the largest on record. The 1965 crop totaled 31,000 tons as against the 1960-64 average of 30,800.

SPAIN'S ALMOND SUPPLY AND DISTRIBUTION
[Shelled basis]

| Item | Average 1960-64 | Annual 1964-65 | Annual 1965-66[1] | Annual 1966-67[2] |
|---|---|---|---|---|
| | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* | *1,000 short tons* |
| Beginning stocks (Sept. 1) | 3.6 | 2.0 | 2.0 | 1.0 |
| Production | 30.8 | 35.0 | 31.0 | 41.0 |
| Total supply | 34.4 | 37.0 | 33.0 | 42.0 |
| Exports | 25.7 | 27.5 | 24.0 | 30.0 |
| Domestic disappearance | 6.1 | 7.5 | 8.0 | 9.0 |
| Ending stocks (Aug. 31) | 2.6 | 2.0 | 1.0 | 3.0 |
| Total distribution | 34.4 | 37.0 | 33.0 | 42.0 |

[1] Revised. [2] Preliminary.

The almond market has been exceptionally active, with both local and export sales ahead of last season's pace. A reduction of the export duty on almonds from 1.5 to 0.3

ALMOND PRICES: SPANISH EXPORT QUOTATIONS,[1] F.O.B. REUS

| First week of the month | Shelled unblanched: Unselected Valencias | Selected Valencias[2] | Selected Longuettes[2] | Selected Marconas[3] |
|---|---|---|---|---|
| | *U.S. cents per pound* | *U.S. cents per pound* | *U.S. cents per pound* | *U.S. cents per pound* |
| 1964-65: | | | | |
| September | 71.4 | – | 76.4 | 76.5 |
| November | 63.5 | 67.9 | 74.2 | 72.5 |
| January | – | – | – | – |
| March | 64.6 | 69.2 | 76.5 | 73.3 |
| May | 67.5 | 71.4 | 78.8 | 76.4 |
| July | 70.2 | – | 82.9 | 78.1 |
| 1965-66: | | | | |
| September | 70.6 | – | 84.5 | 78.5 |
| October | 66.7 | – | 82.9 | 76.4 |
| November | 65.1 | 68.7 | 82.1 | 75.0 |
| December | 65.4 | 68.7 | – | 74.2 |
| January | 67.5 | 69.5 | 86.0 | 74.2 |
| February | 66.2 | 68.7 | 86.9 | 74.2 |
| March | 65.1 | 68.4 | 85.3 | 74.5 |
| April | 65.5 | 68.7 | 83.7 | 76.4 |
| May | 68.8 | 71.1 | – | 79.6 |
| June | 67.5 | 70.3 | 83.7 | 80.5 |
| July | 67.0 | 70.0 | 82.9 | 79.7 |
| August | 66.2 | – | 85.3 | 78.8 |
| 1966-67: | | | | |
| September | 65.5 | – | 84.5 | 78.5 |
| October | 62.5 | 67.1 | 81.3 | 70.5 |
| November | 63.5 | 66.3 | 78.5 | 71.7 |
| December | 63.3 | 66.3 | 76.9 | 73.7 |
| January | 65.1 | 68.4 | 76.3 | 75.0 |
| February | 65.1 | 67.9 | 77.1 | 76.3 |

[1] Gross/net packed in 50-kilo bags. [2] 18/20 sizes. [3] 20/22 sizes.
Spanish Almond Trade.

percent has contributed to the heavy exports. However, lower prices are also a factor in the increased sales, as Unselected Valencias dropped from 67.5 cents per pound (net f.o.b. Spanish port) in January 1966 to 65.1 cents in the same period this year. The decline was even more severe for 18/20-size Longuettes which fell from 86.0 cents to 76.3 cents in the same period.

Exports during the September 1965-August 1966 year totaled 24,000 short tons shelled basis, as against 27,400 the year before. During the current season, exports may reach 30,000 tons.

## Tanzania's 1966-67 Cotton Crop at Record High

The 1966-67 (August-July) cotton crop in Tanzania reached a record 360,000 bales (480 lb. net), 16 percent above the previous record set in 1965-66 and nearly double the average annual production of 187,000 bales in the 1960-64 period.

Most of this crop has already been sold. Sales include about 320,000 bales of Mwanza AR at an average price of 24.15 U.S. cents per pound of lint plus an additional 30,000 bales of Mwanza BR and Coastal BR at an average price of 18.20 cents.

Tanzania's Lint and Seed Marketing Board, on January 31, sold 20,000 running bales of 1967 crop cotton for July-August delivery at the exceptionally high price of 27.50 U.S. cents per pound for good Mwanza cotton.

## Belgium's Trade in Nonfat Dry Milk Declining

Belgium's exports of nonfat dry milk in the first half of 1966 totaled 48 million pounds, 7 million less than in the comparable period of 1965.

Smaller sales to Italy and the Netherlands were largely responsible for this decline in nonfat exports. In January-June 1966, Italy's purchases, at 10 million pounds, were less than half those of the preceding year. The Netherlands took 3 million pounds, compared with more than 10 million in the earlier year. Trade with West Germany increased 5 million pounds to 12 million. Sales to Chile were up 2 million pounds to 6 million. Japan, not a purchaser in the first half of 1965, took approximately 6 million pounds.

Imports of nonfat dry milk declined 11 million pounds to 40 million. Shipments from the Netherlands, the principal source, were down 33 percent to 29 million pounds. Supplies from the United States also were considerably less, amounting to 244,000 pounds, compared with more than 5 million in the earlier year. Receipts from France rose to 9 million pounds from 1 million.

Reduced sales to all of the principal markets brought dried whole milk exports down 40 percent to 9 million pounds. Imports of dried whole milk were less than 1,000 pounds and were only 16 percent of those in January-June 1965.

## Australian Cigarette Output Down

Cigarette output in Australia turned downward last year after showing steady annual gains for more than 15 years. Output in 1966 totaled 21,693 million pieces—down 0.6 percent from the 1965 high of 21,818 million but still 12.9 percent above the 1960-64 annual average of 19,219.

The decline in output last year mainly reflects an increase in retail prices following an advance in excise tax rates in August 1965.

## Canadian Tobacco Exports Decline

Canadian exports of unmanufactured tobacco in January-September 1966 totaled 33.5 million pounds, compared with 37.9 million for the similar period of 1965. Drops in export shipments to the United Kingdom, the Netherlands, and Hong Kong more than offset increased movements to West Germany and Trinidad.

Flue-cured tobacco accounted for 94 percent of exports in the 1966 period.

CANADIAN TOBACCO EXPORTS

| Destination | January-September 1965 | January-September 1966 |
|---|---|---|
| | *1,000 pounds* | *1,000 pounds* |
| United Kingdom | 30,831 | 27,555 |
| Germany, West | 925 | 1,676 |
| Trinidad | 126 | 705 |
| Denmark | 315 | 626 |
| Netherlands | 929 | 517 |
| Malaysia and Singapore | 294 | 430 |
| Hong Kong | 1,203 | 189 |
| Belgium-Luxembourg | 528 | 115 |
| Others | 2,699 | 1,688 |
| Total | 37,850 | 33,501 |

## 20-Percent Rise in India's Jute Production

India's production of jute in 1966-67 is estimated at 5.35 million bales (bales of 397 lb.), almost 20 percent above the level of the previous year. Total area cultivated in 1966-67 is estimated at 1,971,610 acres compared with 1,869,312 the year before.

The increased acreage was attributed generally to favorable weather conditions at time of sowing.

## Tea Crop Off in Ceylon, Up in India, Pakistan

Ceylon's tea crop for 1966 totaled 490 million pounds, down 13.2 million from the record 1965 outturn. Preliminary estimates place India's production at approximately 830 million pounds, 20 million ahead of 1965. Pakistan's crop also increased in 1966, totaling 62.9 million pounds compared with 59.6 million in the previous year.

**WORLD CROPS AND MARKETS INDEX**


**Cotton**
15 Tanzania's 1966-67 Cotton Crop at Record High
**Dairy and Poultry Products**
15 Belgium's Trade in Nonfat Dry Milk Declining
**Fruits, Vegetables, and Nuts**
13 France and Yugoslavia Lower Their 1966 Prune Estimates
14 Spanish Almond Estimate Lowered
**Livestock and Meat Products**
13 U.S. Shipments of Lard in 1966 Again Down Sharply
**Sugar and Tropical Products**
15 20-Percent Rise in India's Jute Production
15 Tea Crop Off in Ceylon, Up in India, Pakistan
**Tobacco**
15 Australian Cigarette Output Down
15 Canadian Tobacco Exports Decline

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

# Highlights of the Agriculture and Trade of Pakistan

**Resources:**—Pakistan has an area of 365,259 square miles and with a population of 119 million is Asia's third most populous nation. Slightly over half of the people live in the 55,126 square miles of East Pakistan where heavy rainfall during the monsoon season provides water for extensive rice crops. The GNP in 1966 was about $10 billion, or a per capita GNP of $84.

**Agriculture:**—Rice is the leading crop, accounting for about half of the total farm value of all crops harvested. Jute and other crops requiring large quantities of water are grown on the alluvial soils near Dacca. Tea is grown in the highland areas of East Pakistan. About three-fifths of the land in East Pakistan is cultivated whereas in West Pakistan it is only one-fifth.

Much of West Pakistan consists of desert and semi-arid areas used for grazing. Extensive irrigation projects, utilizing water from the Indus River, enable small family-owned farms to grow cotton in the summer and grains in the winter. The average farm in West Pakistan is about 10 acres compared with 3.5 acres in East Pakistan. West Pakistan produces most of the wheat, grain sorghums, sugar, tobacco, cotton, and deciduous fruits. Wheat yields have improved with increasing use of fertilizer and improved varieties from Mexico. Large new mango and banana orchards have been planted on recently irrigated land near Karachi and Hyderabad.

**Food situation:**—Farmers in Pakistan provide about 91 to 93 percent of the 19.5 million metric tons of foodgrains consumed in Pakistan. Rice production now totals 11.5 to 12 million metric tons of milled rice annually. Wheat production made some gains in the early 1960's and reached a peak of 4.6 million metric tons during 1965 but declined last year.

The consumption of sugar, vegetables, peanuts and fruits has more than doubled in the last decade. The consumption of canned vegetables, bakery products and processed foods is increasing rapidly in urban areas.

**Foreign trade:**—Pakistan is the world's major exporter of jute. Total exports increased from a value of $423.3 million in 1964 to $527.6 million in 1965 and over $600 million in 1966 because of larger exports of jute and jute manufactures. In 1966 exports of jute and jute products accounted for about half of Pakistan's exports. The United States, the United Kingdom, Belgium, India, UAR, Sudan, and China are major markets for jute.

Exports of cotton increased from a value $21.8 million in 1961 to $73.1 million in 1964 and even higher in 1966. Japan, the United Kingdom and Mainland China are major markets for Pakistan's cotton. Exports of rice, mostly high grade types sold to Middle East markets, bring in about $21 to $27 million annually.

Imports of wheat have more than doubled since 1962. They declined to about 1.3 million metric tons in 1966 compared to 1.7 million in 1965. The value for imports of cereals increased from $71.6 million in 1962 to $145.9 million in 1964, but declined in 1966. Commercial imports of wheat from the United States and Australia increased in 1966. Imports of powdered milk, tallow, cottonseed oil, and corn each exceed $4 million per year.

**Agricultural trade with U.S.:**—Agricultural exports by the United States to Pakistan increased from a value of $89.9 million in 1962 to a peak of $145.2 million in 1964—about double the value in 1966. Shipments under P.L. 480 accounted for $126.6 million of the $140.1 million worth of U.S. agricultural exports to Pakistan in 1965. Commercial exports of agricultural items by the United States to Pakistan increased from a value of $2.5 million in 1964 to $13.5 million in 1965.

Wheat usually accounts for over 60 percent of the U.S. agricultural exports to Pakistan. Shipments of vegetable oils reached a value of $32.6 million in 1965. U.S. agricultural exports to Pakistan declined in 1966 because of smaller shipments of wheat and vegetable oils under Title I of P.L. 480. The shipment of 250,000 tons of grain sorghums to Pakistan began in early 1967 when 250,000 tons were purchased.

Extra long-staple cotton needed to improve the quality of Pakistan's textiles and flue-cured tobacco for quality cigarettes are imported from the United States.

Raw jute, jute fabrics, wool, gums, and sheepskins are the major products imported by the United States from Pakistan.

**Factors affecting agricultural trade with the U.S.:**—Pakistan's foreign exchange position remains tight since exports are only half the value of imports which exceed $1 billion annually. The availability of American farm products under P.L. 480 and loans from international banks and agencies will affect future agricultural imports.

Commercial banks and private firms have an active role in Pakistan's foreign trade. Most of the exports are performed by private firms, although most of the grain and fertilizer imports are received by the Government of Pakistan.

—JOHN B. PARKER
*Foreign Regional Analysis Division, ERS*

MI UNIVERSITY